



# Arizona State Retirement System

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[WWW.ASRS.STATE.AZ.US](http://WWW.ASRS.STATE.AZ.US)

## News Release

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### **ASRS announces fiscal year investment performance; adopts new asset allocation policy**

After two years of negative returns in the stock market, the Arizona State Retirement System Fund saw a positive return of 2.4 percent for the fiscal year that ended June 30.

"It's certainly good to move back into positive territory after two down years," ASRS Board Chairman Karl Polen noted after the Board reviewed the latest numbers at its Aug. 15 meeting. "We are looking forward to continued recovery of our national economy and improvement in the capital markets."

The total fund market value of the ASRS portfolio was approximately \$18.7 billion at the end of the fiscal year.

The ASRS employs a broad-based, long-term investment strategy that has produced an overall rate of return averaging 10.7 percent per year dating back to 1975.

A diversified portfolio that includes U.S. equities, foreign equities and fixed-income investments is managed by a variety of internal and external money managers and comes under continuous performance review. While the overall investment strategy is focused on the long-term, adjustments in specific investments are made almost daily.

"We are not market timers," ASRS Director Paul Matson said. "With this kind of institutional investing, you have to look at the long-term performance and for us, and most every pension plan across the country, that has been the equity markets.

"We have the patience and discipline to ride out downturns in the market, and what you are left with is a positive and very stable, long-term rate of return on our investments. That strategy has served our members well."

Still, the ASRS Board and the Investment Review Committee of the Board, along with ASRS Investment staff, continually evaluate investment strategies. Outside expert consultants and actuaries provide advice and information.

An asset allocation study was recently completed, and as a result, the ASRS Board has decided to move a small portion of the investment portfolio – a target of 6 percent – into real-estate investments. ASRS staff will now begin the process of researching options, which is expected to take several months. In the meantime, ASRS investments will remain in the current asset classes, with approximately 53 percent invested in domestic equities, 30 percent in fixed income, and 17 percent in international equities.

To learn more about the ASRS investment strategy, visit the "investments" section on our website at [www.asrs.state.az.us](http://www.asrs.state.az.us)